

Introduced: 2/6/78
Referred: Commerce and Finance

BY MCKINNON, BRADLEY AND
MEEKINS

1 IN THE HOUSE

2 *CS* HOUSE BILL NO. 729

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to small business assistance; and pro-
7 viding for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. STATEMENT OF POLICY. The most important element of the
10 American economic system of private enterprise is free and vigorous competi-
11 tion. In order to promote that competition, small business concerns must be
12 encouraged, and it is the declared policy of the state to insure that a fair
13 proportion of the total contracts or subcontracts for supplies, materials,
14 equipment and contractual services for the state be awarded to small business
15 concerns.

16 * Sec. 2. AS 37 is amended by adding a new chapter to read:

17 CHAPTER 6. SMALL BUSINESS ASSISTANCE.

18 Sec. 37.06.010. POWERS OF THE DEPARTMENT. The Department of
19 Administration shall

20 (1) inventory the productive facilities of small business
21 concerns in the state;

22 (2) determine the concerns, firms, persons, corporations,
23 partnerships, cooperatives, or other business enterprises which are to
24 be designated "small business concerns" under this chapter; the depart-
25 ment shall designate individual concerns as "small business concerns" in
26 accordance with the definition contained in sec. 100(2) of this chapter;

27 (3) obtain information concerning the methods and practices
28 of prime contractors in awarding subcontracts, and take action to en-
29 courage the award of subcontracts by prime contractors to small business

1 concerns at prices and on conditions and terms which are fair and equi-
2 table;

3 (4) require reports from state agencies authorized to pur-
4 chase supplies, materials, equipment or contractual services disclosing
5 the award of contracts and subcontracts, and the proportion of these
6 purchases that are awarded to small business concerns;

7 (5) make quarterly recommendations throughout the fiscal year
8 to state agencies authorized to purchase supplies, materials, equipment
9 or contractual services, based upon the reports required in (4) of this
10 section, concerning the desirable amount of small business purchases to
11 achieve adequate participation by small business concerns in the public
12 contracts of the state;

13 (6) adopt regulations necessary to carry out the purposes of
14 this chapter.

15 Sec. 37.06.020. SMALL BUSINESS CONTRACTS. (a) The Department of
16 Administration or an agency authorized to purchase supplies, materials,
17 equipment or contractual services may purchase or direct a person or
18 activity receiving state financing to purchase supplies, materials,
19 equipment or contractual services from small business concerns whenever
20 there is a reasonable expectation that bids will be obtained from at
21 least two small business concerns capable of furnishing the desired
22 property or service at a fair and reasonable price. The advertisement
23 for bids on a contract or purchase under this chapter shall indicate
24 that only bids from small business concerns will be considered.

25 Sec. 37.06.030. WITHDRAWAL OF SMALL BUSINESS PURCHASE. (a) If
26 the total number of small business concerns responding to the advertise-
27 ment for bids on a small business purchase and considered capable of
28 meeting the specifications and terms of the advertisement is less than
29 two, or if the Department of Administration or an agency authorized to

1 purchase determines that acceptance of the most favorable bid will
2 result in the payment of an unreasonable price, the bids shall be re-
3 jected and the advertisement for bids withdrawn.

4 (b) After withdrawal of an advertisement for a small business pur-
5 chase, the advertisement for bids shall be reissued without a small
6 business designation, and it shall contain the same or rewritten terms
7 or specifications included within the withdrawn advertisement for bids.

8 Sec. 37.06.040. REPORTS. The Department of Administration shall
9 submit a report to the governor, the president of the senate, the
10 speaker of the house of representatives, and the chairmen of the senate
11 and house commerce committees. The report shall be submitted no later
12 than 15 days after the convening of each regular legislative session.
13 The report shall advise the governor, the speaker, the president, and
14 the designated chairmen concerning the administration and effect of this
15 chapter.

16 Sec. 37.06.100. DEFINITIONS. In this chapter,

17 (1) "agency" or "agencies" means a department, officer, in-
18 stitution, board, commission, bureau, division, or other administrative
19 unit forming the state government and includes the Alaska Pioneers' Home
20 and the University of Alaska, but does not include the legislature or
21 the judiciary;

22 (2) "small business concern" means any business entity or-
23 ganized for profit doing business in the state and complying with the
24 requirements under ch. 10 of this title which is independently owned and
25 operated and has

26 (A) fewer than 100 employees; or

27 (B) less than \$1,000,000 in gross receipts a year.

28 Sec. 37.06.110. SHORT TITLE. This chapter may be cited as the
29 Small Business Assistance Act.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

* Sec. 3. This Act takes effect on July 1, 1979.